


1. Shipbroker H Clarkson and Co. Ltd. 81 Magnus House, 3 Lower Thames Street, London, EC3R 6HE		<b>BIMCO STANDARD BAREBOAT CHARTER</b> <b>CODE NAME: "BARECON 2001"</b>		 PART I
2. Place and date London, England 25th July 2013				
3. Owners/Place of business (CL 1) Cygnus Shipping Pte. Ltd Guaranteed by Yangzijiang Shipping Pte. Ltd 80 Robinson Road, 02-00 Singapore 068898		4. Bareboat Charterers/Place of business (CL 1) Global Maritime Investments Cyprus Limited or its guaranteed nominee		
5. Vessel's name, call sign and flag (CL 1 and 3)  Singapore				
6. Type of Vessel Bulk Carrier		7. GT/NT		
8. When/Where built January 2016 Jiangsu New Yangzi Shipbuilding Co., Ltd. and Jiangsu Yangzi Xinfu Shipbuilding Co., Ltd., China, see Rider Clause 34.4		9. Total DWT (abt.) in metric tons on summer freeboard about 81,800 dwt scantling		
10. Classification Society (CL 3) Lloyd's Register		11. Date of last special survey by the Vessel's classification society N/A		
12. Further particulars of Vessel (also indicate minimum number of months' validity of class certificates agreed acc. to CL 3)				
13. Port or Place of delivery (CL 4) See Clause 34		14. Time for delivery (CL 4) See Clause 34		15. Cancelling date (CL 5) N/A
16. Port or Place of redelivery (CL 15) N/A		17. No. of months' validity of trading and class certificates upon redelivery (CL 15) N/A		
18. Running days' notice if other than stated in CL 4 N/A		19. Frequency of dry-docking (CL 10(g)) N/A		
20. Trading limits (CL 6) Worldwide where is customary for a vessel of this type and size to trade, and permitted by insurers				
21. Charter period (CL 2) See Clause 2		22. Charter hire (CL 11)		
23. New class and other safety requirements (state percentage of Vessel's insurance value acc. to Box 20)(CL 10(a)(ii))				
24. Rate of interest payable acc. to CL 11 (f) and, if applicable, acc. to PART IV fixed 5% per annum		25. Currency and method of payment (CL 11) United States Dollars		

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26. Place of payment; also state beneficiary and bank account (Cl. 13)	27. Bank guarantee bond (sum and place) (Cl. 24) (optional)
28. Mortgage(s), if any (state whether 12(a) or (b) applies; # 12(b) applies state date of Financial Instrument and name of Mortgagee(s) Place of business) (Cl. 12) See Clause 48	29. Insurance (hull and machinery and war risks) (state value acc. to Cl. 13(f) or, if applicable, acc. to Cl. 14(k)) (also state if Cl. 14 applies)
30. Additional insurance cover, if any, for Owners' account limited to (Cl. 13(b)) or, if applicable, Cl. 14(g))	31. Additional insurance cover, if any, for Charterers' account limited to (Cl. 13(b)) or, if applicable, Cl. 14(g))
32. Latent defects (only to be filled in if period other than stated in Cl. 3)	33. Brokerage commission and to whom payable (Cl. 27)
34. Grace period (state number of clear banking days) (Cl. 28)	35. Dispute Resolution (state 30(a), 30(b) or 30(c); if 30(c) agreed Place of Arbitration must be stated (Cl. 30) Clause 30(a)
36. War cancellation (indicate countries agreed) (Cl. 28(f)) N/A	
37. Newbuilding Vessel (indicate with "yes" or "no" whether PART III applies) (optional) Yes	38. Name and place of Builders (only to be filled in if PART III applies) Jiangsu New Yangzi Shipbuilding Co., Ltd. and Jiangsu Yangzi Xinfu Shipbuilding Co., Ltd., China, see Rider clause 34.4
39. Vessel's Yard Building No. (only to be filled in if PART III applies) Hull No. YZJ2013-1065	40. Date of Building Contract (only to be filled in if PART III applies) []
41. Liquidated damages and costs shall accrue to (state party acc. to Cl. 1) a) b) c)	
42. Hire/Purchase agreement (indicate with "yes" or "no" whether PART IV applies) (optional) No (see Rider Clause 43)	43. Bareboat Charter Registry (indicate with "yes" or "no" whether PART V applies) (optional) No
44. Flag and Country of the Bareboat Charter Registry (only to be filled in if PART V applies)	45. Country of the Underlying Registry (only to be filled in if PART V applies)
46. Number of additional clauses covering special provisions, if agreed	

PREAMBLE - It is mutually agreed that this Contract shall be performed subject to the conditions contained in this Charter which shall include PART I and PART II. In the event of a conflict of conditions, the provisions of PART I shall prevail over those of PART II to the extent of such conflict but no further. It is further mutually agreed that PART III and/or PART IV and/or PART V shall only apply and only form part of this Charter if expressly agreed and stated in Boxes 37, 42 and 43. If PART III and/or PART IV and/or PART V apply, it is further agreed that in the event of a conflict of conditions, the provisions of PART I and PART II shall prevail over those of PART III and/or PART IV and/or PART V to the extent of such conflict but no further.

Signature (Owners) 	Signature (Charterers) 
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DIRECTOR  
PANAYIOTIS C. KONTOS



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**Charter Agreement** Pg 3 of 36  
**"BARECON 2001" Standard Bareboat Charter**

<b>1. Definitions</b>	1	(b) — If it appears that the Vessel will be delayed beyond	69
In this Charter, the following terms shall have the	2	the cancelling date, the Owners may, as soon as they	70
meanings hereby assigned to them:	3	are in a position to state with reasonable certainty the	71
"The Owners" shall mean the party identified in <u>Box 3</u> ;	4	day on which the Vessel should be ready, give notice	72
"The Charterers" shall mean the party identified in <u>Box 4</u> ;	5	thereof to the Charterers asking whether they will	73
"The Vessel" shall mean the vessel named in <u>Box 5</u> and	6	exercise their option of cancelling, and the option must	74
with particulars as stated in <u>Boxes 6 to 12</u>	7	then be declared within one hundred and sixty-eight	75
"Financial Instrument" means the mortgage, deed of	8	(168) running hours of the receipt by the Charterers of	76
covenant or other such financial security instrument as	9	such notice or within thirty-six (36) running hours after	77
annexed to this Charter and stated in <u>Box 28</u> . See also	10	the cancelling date, whichever is the earlier. If the	78
the Additional Definitions in Clause 33.		Charterers do not then exercise their option of cancelling,	79
<b>2. Charter Period</b>	11	the seventh day after the readiness date stated in the	80
In consideration of the hire detailed in <u>Box 22</u> ,	12	Owners' notice shall be substituted for the cancelling	81
the Owners have agreed to let and the Charterers have	13	date indicated in <u>Box 16</u> for the purpose of this <u>Clause 5</u> .	82
agreed to hire the Vessel for the period stated in <u>Box 24</u>	14	(e) — Cancellation under this <u>Clause 5</u> shall be without	83
of [eight consecutive years from delivery]		prejudice to any claim the Charterers may otherwise	84
("The Charter Period"). The Charter Period shall,	15	have on the Owners under this Charter.	85
terminate automatically on transfer of title to			
Charterers (or nominee) on sale of the Vessel under			
Clause 43 ("Sale Termination").			
<b>3. Delivery</b>	16	<b>6. Trading Restrictions</b>	86
(not applicable when Part III applies, as indicated in <u>Box 37</u> )	17	The Vessel shall be employed in lawful trades for the	87
(a) — The Owners shall before and at the time of delivery	18	carriage of suitable lawful merchandise within the trading	88
exercise due diligence to make the Vessel seaworthy	19	limits indicated in <u>Box 20</u> .	89
And in every respect ready in hull, machinery and	20	The Charterers undertake not to employ the Vessel or	90
equipment for service under this Charter.	21	suffer the Vessel to be employed otherwise than in	91
The Vessel shall be delivered by the Owners and taken	22	conformity with the terms of the contracts of insurance	92
over by the Charterers at the port or place indicated in	23	(including any warranties expressed or implied therein)	93
<u>Box 13</u> in such ready safe berth as the Charterers may	24	without first obtaining the consent of the insurers to such	94
direct.	25	employment and complying with such requirements as	95
(b) — The Vessel shall be properly documented on	26	extra premium or otherwise as the insurers may	96
delivery in accordance with the laws of the flag State	27	prescribe.	97
indicated in <u>Box 6</u> and the requirements of the	28	The Charterers also undertake not to employ the Vessel	98
classification society stated in <u>Box 10</u> . The Vessel upon	29	or suffer her employment in any trade or business which	99
delivery shall have her survey cycles up to date and	30	is forbidden by the law of any country to which the Vessel	100
trading and class certificates valid for at least the number	31	may sail or is otherwise illicit or in carrying illicit or	101
of months agreed in <u>Box 12</u> .	32	prohibited goods or in any manner whatsoever which	102
(c) — The delivery of the Vessel by the Owners and the	33	may render her liable to condemnation, destruction,	103
taking over of the Vessel by the Charterers shall	34	seizure or confiscation. Upon occurrence of any	104
constitute a full performance by the Owners of all the	35	situation as stipulated above, the Charterers shall	
Owners' obligations under this <u>Clause 3</u> , and thereafter	36	endeavor to release the vessel, to hold harmless the	
the Charterers shall not be entitled to make or assert	37	Owners, the Vessel and their respective right and	
any claim against the Owners on account of any	38	interests, and shall compensate the Owners of any	
conditions, representations or warranties expressed or	39	direct or indirect loss howsoever occurred arising out	
implied with respect to the Vessel but the Owners shall	40	of such occurrence.	
be liable for the cost of but not the time for repairs or	41	Notwithstanding any other provisions contained in this	105
renewals occasioned by latent defects in the Vessel,	42	Charter it is agreed that nuclear fuels or radioactive	106
her machinery or appurtenances, existing at the time of	43	products or waste are specifically excluded from the	107
delivery under this Charter, provided such defects have	44	cargo permitted to be loaded or carried under this	108
manifested themselves within twelve (12) months after	45	Charter. This exclusion does not apply to radio-isotopes	109
delivery unless otherwise provided in <u>Box 32</u> .	46	used or intended to be used for any industrial,	110
		commercial, agricultural, medical or scientific purposes	111
		provided the Owners' prior approval has been obtained	112
		to loading thereof and the carriage of such cargo are	113
		insured.	
<b>4. Time for Delivery</b>	47	<b>7. Surveys on Delivery and Redelivery</b>	114
(not applicable when Part III applies, as indicated in <u>Box 37</u> )	48	(not applicable when Part III applies, as indicated in <u>Box 37</u> )	115
The Vessel shall not be delivered before the date	49	The Owners and Charterers shall each appoint	116
indicated in <u>Box 14</u> without the Charterers' consent and	50	surveyors for the purpose of determining and agreeing	117
the Owners shall exercise due diligence to deliver the	51	in writing the condition of the Vessel at the time of	118
Vessel not later than the date indicated in <u>Box 16</u> .	52	delivery and redelivery hereunder. The Owners shall	119
Unless otherwise agreed in <u>Box 18</u> , the Owners shall	53	bear all expenses of the On-hire Survey including loss	120
give the Charterers not less than thirty (30) running days'	54	of time, if any, and the Charterers shall bear all expenses	121
preliminary and not less than fourteen (14) running days'	55	of the Off-hire Survey including loss of time, if any, at	122
definite notice of the date on which the Vessel is	56	the daily equivalent to the rate of hire or pro-rata thereof.	123
expected to be ready for delivery.	57		
The Owners shall keep the Charterers closely advised	58		
of possible changes in the Vessel's position.	59		
<b>5. Cancelling</b>	60	<b>8. Inspection</b>	124
(not applicable when Part III applies, as indicated in <u>Box 37</u> )	61	The Owners shall have the right at any time after giving	125
(a) — Should the Vessel not be delivered latest by the	62	reasonable notice to the Charterers to inspect or survey	126
cancelling date indicated in <u>Box 16</u> , the Charterers shall	63	the Vessel or instruct a duly authorised surveyor to carry	127
have the option of cancelling this Charter by giving the	64	out such survey on their behalf.	128
Owners notice of cancellation within thirty-six (36)	65	(a) to ascertain the condition of the Vessel and satisfy	129
running hours after the cancelling date stated in <u>Box</u>	66	themselves that the Vessel is being properly repaired	130
<u>16</u> , failing which this Charter shall remain in full force	67	and maintained. The costs and fees for such inspection	131
and effect.	68	or survey shall be paid by the Owners unless the Vessel	132
		is found to require repairs or maintenance in accordance	133
		with <u>Clause 10</u> , order to	



**CHARTER**  
**Charter Agreement** Pg 4 of 36  
**"BARECON 2001" Standard Bareboat Charter**

achieve the condition so provided;	134	regard, inter alia, to the length of the period	197
(b) in dry-dock if the Charterers have not dry-docked	135	remaining under this Charter shall, in the absence	198
Her in accordance with <u>Clause 10(g)</u> . The costs and fees	136	of agreement, be paid by the Owners and such	199
for such inspection or survey shall be paid by the	137	payment shall be reimbursed by the Charterers	
Charterers; and	138	together with the interest calculated at the rate of	
(c) for any other commercial reason they consider	139	5% per annum. Such reimbursement shall be	
necessary (but not more than once annually and	140	made together with the Purchase Price to be	
provided it does not unduly materially interfere with		made by the Charterers in the event that the	
the commercial operation of the Vessel). The costs and	141	Charterers exercise its Purchase Option or	
fees for such inspection and survey shall be paid by the	142	obligation, as case may be, in accordance with	
Owners.	143	Clause 43, referred to the dispute resolution	
All time used in respect of inspection, survey or repairs	144	method agreed in <u>Clause 39</u> .	200
shall be for the Charterers' account and form part of the	145	(iii) <u>Financial Security</u> - The Charterers shall maintain	201
Charter Period.	146	financial security or responsibility in respect of third	202
The Charterers shall also permit the Owners to inspect	147	party liabilities as required by any government,	203
and make a copy of		including federal, state or municipal or other division	204
the Vessel's log books whenever requested and shall	148	or authority thereof, to enable the Vessel, without	205
whenever required by the Owners furnish them with full	149	penalty or charge, lawfully to enter, remain at, or	206
information regarding any casualties or other accidents	150	leave any port, place, territorial or contiguous	207
or damage to the Vessel.	151	waters of any country, state or municipality in	208
		performance of this Charter without any delay. This	209
9. <u>Inventories, Oil and Stores</u>	152	obligation shall apply whether or not such	210
A complete inventory of the Vessel's entire equipment,	153	requirements have been lawfully imposed by such	211
outfit including spare parts, appliances and of all	154	government or division or authority thereof	212
consumable stores on board the Vessel shall be made	155	The Charterers shall make and maintain all arrange-	213
by the Charterers in conjunction with the Owners on	156	ments by bond or otherwise as may be necessary to	214
delivery and again on redelivery of the Vessel. The	157	satisfy such requirements at the Charterers' sole	215
Charterers and the Owners, respectively, shall at the	158	expense and the Charterers shall indemnify the Owners	216
time of delivery and redelivery take over and pay for all	159	against all consequences whatsoever (including loss of	217
bunkers, lubricating oil, unbroached provisions, paints,	160	time) for any failure or inability to do so.	218
ropes and other consumable stores (excluding spare	161	(b) <u>Operation of the Vessel</u> - The Charterers shall at	219
parts) in the said Vessel at the then current market prices	162	their own expense and by their own procurement man,	220
at the ports of delivery and redelivery, respectively. The	163	victual, navigate, operate, supply, fuel and, whenever	221
Charterers shall ensure that all spare parts listed in the	164	required, repair the Vessel (provided that this does not	222
inventory and used during the Charter Period are	165	apply to repairs under Article IX of the Building	
replaced at their expense prior to redelivery of the	166	Contract) during the Charter Period	
Vessel.	167	and they shall pay all charges and expenses of every	223
		kind and nature whatsoever incidental to their use and	224
10. <u>Maintenance and Operation</u>	168	operation of the Vessel under this Charter, including	225
(a) <u>(i) Maintenance and Repairs</u> - During the Charter	169	annual flag State fees and any foreign general	226
Period the Vessel shall be in the full possession	170	municipality and/or state taxes. The Master, officers	227
and at the absolute disposal for all purposes of the	171	and crew of the Vessel shall be the servants of the Charterers	228
Charterers and under their complete control in	172	for all purposes whatsoever, even if for any reason	229
every respect. The Charterers shall maintain the	173	appointed by the Owners.	230
Vessel, her machinery, boilers, appurtenances and	174	Charterers shall comply with the regulations regarding	231
spare parts in a good state of repair, in efficient	175	officers and crew in force in the country of the Vessel's	232
operating condition and in accordance with good	176	flag or any other applicable law. In the event of	233
commercial maintenance practice and, except as	177	employment, change or dismissal of a manager, the	
provided for in <u>Clause 14(i)</u> , if applicable, at their	178	Charterers shall obtain prior written approval from	
own expense they shall at all times keep the	179	the Owners, the approval of which shall not be	
Vessel's Class fully up to date with the Classification	180	unreasonably withheld.	
Society indicated in <u>Box 10</u> and maintain all other	181	(c) The Charterers shall keep the Owners and the	234
necessary certificates in force at all times.	182	mortgagee(s) advised of the intended employment,	235
(ii) <u>New Class and Other Safety Requirements</u> - In the	183	planned dry-docking and major repairs of the Vessel,	236
event of any improvement, structural changes or	184	as reasonably required.	237
new equipment becoming necessary for the	185	(d) <u>Flag and Name of Vessel</u> - During the Charter	238
continued operation of the Vessel by reason of new	186	Period, the Charterers shall have the liberty to name the	239
class requirements or by compulsory legislation	187	Vessel, paint the	
existing (excluding the Charterers' loss of time) the	188	Vessel in their own colours, install and display their	240
Owners shall immediately notify the Owners of		tunnel insignia and fly their own house flag. The	241
such proposed improvement, structural change,		Charterers shall also have the liberty, with the Owners'	242
or installment of the new equipment, provide the		consent, which shall not be unreasonably withheld, to	243
Owners with the relevant requirement,		change the flag and/or the name of the Vessel during	244
legislations, orders, and/or plans, and obtain the		the Charter Period. Painting and re-painting, instalment	245
Owners' written approval. Time and cost of such		and re-installment, registration and re-registration, if	246
improvement, change of installment (excluding		required by the Owners, shall be at the Charterers'	247
the Charterers' loss of time)		expense and time.	248
more than the percentage stated in <u>Box 23</u> , or if	189	(e) <u>Changes to the Vessel</u> - Subject to <u>Clause 10(a)(iii)</u> ,	249
<u>Box 23</u> is left blank, 5 per cent. of the Vessel's	190	the Charterers shall make no structural changes in the	250
insurance value as stated in <u>Box 20</u> , then the	191	Vessel or changes in the machinery, boilers, appurten-	251
extent, if any, to which the rate of hire shall be varied	192	ances or spare parts thereof without in each instance	252
and the ratio in which the cost of compliance shall	193	first securing the Owners' approval thereof, without the	253
be shared between the parties concerned in order	194	prior written consent of the Owners, not to be	
to achieve a reasonable distribution thereof as	195	unreasonably withheld or delayed. If the Owners	
between the Owners and the Charterers having	196	so agree, the Charterers shall, if the Owners so require,	254



**"BARECON 2001" Standard Bareboat Charter**

restore the Vessel to its former condition before the termination of this Charter.	255	12. Mortgage [see clause 48]	328
(f) <u>Use of the Vessel's Outfit, Equipment and Appliances</u> - The Charterers shall have the use of all outfit, equipment, and appliances on board the Vessel at the time of delivery, provided the same or their substantial equivalent shall be returned to the Owners on redelivery in the same good order and condition as when received, ordinary wear and tear excepted. The Charterers shall from time to time during the Charter Period replace such items of equipment as shall be so damaged or worn as to be unfit for use. The Charterers are to procure that all repairs to or replacement of any damaged, worn or lost parts or equipment be effected in such manner (both as regards workmanship and quality of materials) as not to diminish the value of the Vessel. The Charterers have the right to fit additional equipment at their expense and risk but the Charterers shall remove such equipment at the end of the period if requested by the Owners. Any equipment including radio equipment on hire on the Vessel at time of delivery shall be kept and maintained by the Charterers and the Charterers shall assume the obligations and liabilities of the Owners under any lease contracts in connection therewith and shall reimburse the Owners for all expenses incurred in connection therewith, also for any new equipment required in order to comply with radio regulations.	256 257 258 259 260 261 262 263 264 265 266 267 268 269 270 271 272 273 274 275 276 277 278 279 280 281 282	(only to apply if Box 28 has been appropriately filled in)	329
(g) <u>Periodical Dry-Docking</u> - The Charterers shall dry-dock the Vessel and clean and paint her underwater parts whenever the same may be necessary, but not less than once during the period stated in Box 19 or, if Box 19 has been left blank, every sixty (60) calendar months after delivery or such other period as may be in accordance with the requirements of required by the Classification Society or flag State.	283 284 285 286 287 288 289	*) (a) - The Owners warrant that they have not effected any mortgage(s) of the Vessel and that they shall not effect any mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably withheld.	330 331 332 333
11. Hire [also see Clause 36]	290	*) (b) - The Vessel chartered under this Charter is financed by a mortgage according to the Financial Instrument. The Charterers undertake to comply, and provide such information and documents to enable the Owners to comply, with all such instructions or directions in regard to the employment, insurances, operation, repairs and maintenance of the Vessel as laid down in the Financial Instrument or as may be directed from time to time during the currency of the Charter by the mortgagee(s) in conformity with the Financial Instrument. The Charterers confirm that, for this purpose, they have acquainted themselves with all relevant terms, conditions and provisions of the Financial Instrument and agree to acknowledge this in writing in any form that may be required by the mortgagee(s). The Owners warrant that they have not effected any mortgage(s) other than stated in Box 28 and that they shall not agree to any amendment of the mortgage(s) referred to in Box 28 or effect any other mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably withheld.	334 335 336 337 338 339 340 341 342 343 344 345 346 347 348 349 350 351 352 353 354
(a) - The Charterers shall pay hire due to the Owners punctually in accordance with the terms of this Charter in respect of which time shall be of the essence.	291 292 293	*) (Optional Clauses 12(a) and 12(b) are alternatives, indicate alternative agreed in Box 28).	355 356
(b) - The Charterers shall pay to the Owners for the hire of the Vessel a lump sum in the amount indicated in Box 22 which shall be payable not later than every thirty (30) running days in advance, the first lump sum being payable on the date and hour of the Vessel's delivery to the Charterers. Hire shall be paid continuously throughout the Charter Period.	294 295 296 297 298 299 300	13. Insurance and Repairs	357
(c) - Payment of hire shall be made in cash without discount in the currency and in the manner indicated in Box 25 and at the place mentioned in Box 26.	301 302 303	(a) During the Charter Period the Vessel shall be kept insured by the Charterers at their expense against hull and machinery, war and Protection and Indemnity risks (and any risks against which it is compulsory to insure for the operation of the Vessel, including maintaining financial security in accordance with sub-clause 10(a)(iii)) in such form as the Owners shall in writing approve, which approval shall not be un-reasonably withheld. Such insurances shall be arranged by the Charterers to protect the interests of both the Owners and the Charterers and the mortgagee(s) (if any), and The Charterers shall be at liberty to protect under such insurances the interests of any managers they may appoint. Insurance policies shall cover the Owners and the Charterers according to their respective interests. Subject to the provisions of the Financial Instrument, if any, and the approval of the Owners and the insurers, the Charterers shall effect all insured repairs and shall undertake settlement and reimbursement from the insurers of all costs in connection with such repairs as well as insured charges, expenses and liabilities to the extent of coverage under the insurances herein provided for.	358 359 360 361 362 363 364 365 366 367 368 369 370 371 372 373 374 375 376 377 378 379 380
(d) - Final payment of hire, if for a period of less than thirty (30) running days, shall be calculated proportionally according to the number of days and hours remaining before redelivery and advance payment to be effected accordingly.	304 305 306 307 308	The Charterers also to remain be responsible for and to effect repairs and settlement of costs and expenses incurred thereby in respect of all other repairs not covered by the insurances and/or not exceeding any possible franchise(s) or deductibles provided for in the insurances.	381 382 383 384 385 386
(e) - Should the Vessel be lost or missing, hire shall cease from the date and time when she was lost or last heard of. The date upon which the Vessel is to be treated as lost or missing shall be ten (10) days after the Vessel was last reported or when the Vessel is posted as missing by Lloyd's, whichever occurs first. Any hire paid in advance to be adjusted accordingly.	309 310 311 312 313 314 315	All time used for repairs under the provisions of sub-clauses 10 (b) and 13(a) and for repairs of latent defects according to Clause 3(c) above, including any deviation, shall be for the Charterers' account.	387 388 389 390
(f) - Any delay in payment of hire shall entitle the Owners to interest at the rate per annum as agreed in Box 24. If Box 24 has not been filled in, the three months interbank offered rate in London (LIBOR or its successor) for the currency stated in Box 25, as quoted by the British Bankers' Association (BBA) on the date when the hire fell due, increased by 2 per cent., shall apply.	316 317 318 319 320 321 322	(b) If the conditions of the above insurances permit additional insurance to be placed by the parties, such cover shall be limited to the amount for each party set out in Box 30 and Box 31, respectively. The Owners or the Charterers as the case may be shall immediately furnish the other party with particulars of any additional insurance effected, including copies of any cover notes or policies and the written consent of the insurers of any such required insurance in any case where the consent of such insurers is necessary.	391 392 393 394 395 396 397 398 399 400
(g) - Payment of interest due under sub-clause 11(f) shall be made within seven (7) running days of the date of the Owners' invoice specifying the amount payable or, in the absence of an invoice, at the time of the next hire payment date.	323 324 325 326 327		



**"BARECON 2001" Standard Bareboat Charter**

(c) The Charterers shall upon the request of the Owners, provide information and promptly execute such documents as may be required to enable the Owners to comply with the insurance provisions of the Financial Instrument.	401 402 403 404 405	deviation, shall be for the Charterers' account and shall form part of the Charter Period.	474 475
(d) Subject to the provisions of the Financial Instrument, if any, should the Vessel become an actual, constructive, compromised or agreed total loss under the insurances required under sub-clause 13(a), all insurance payments for such loss shall be paid to the Owners who shall hold the same on trust to distribute the moneys as soon as possible between the Owners and the Charterers according to their respective interests. The Charterers undertake to notify the Owners and the mortgagee(s), if any, of any occurrences in consequence of which the Vessel is likely to become a total loss as defined in this Clause.	406 407 408 409 410 411 412 413 414 415 416	The Owners shall not be responsible for any expenses as are incident to the use and operation of the Vessel for such time as may be required to make such repairs.	476 477 478
(e) The Owners shall upon the request of the Charterers, promptly execute such documents as may be required to enable the Charterers to abandon the Vessel to insurers and claim a constructive total loss.	417 418 419 420	(g) If the conditions of the above insurances permit additional insurance to be placed by the parties such cover shall be limited to the amount for each party set out in Box 30 and Box 31, respectively. The Owners or the Charterers as the case may be shall immediately furnish the other party with particulars of any additional insurance effected, including copies of any cover notes or policies and the written consent of the insurers of any such required insurance in any case where the consent of such insurers is necessary.	479 480 481 482 483 484 485 486 487 488
(f) For the purpose of insurance coverage against hull and machinery and war risks under the provisions of sub-clause 13(a), the value of the Vessel is the sum indicated in Box 29.	421 422 423 424	(h) Should the Vessel become an actual, constructive, compromised or agreed total loss under the insurances required under sub-clause 14(a), all insurance payments for such loss shall be paid to the Owners, who shall distribute the moneys between themselves and the Charterers according to their respective interests.	489 490 491 492 493 494
<b>14. Insurance, Repairs and Classification</b> (Optional, only to apply if expressly agreed and stated in Box 29, in which event Clause 13 shall be considered deleted).	425 426 427	(i) If the Vessel becomes an actual, constructive, compromised or agreed total loss under the insurances arranged by the Owners in accordance with sub-clause 14(a), this Charter shall terminate as of the date of such loss.	495 496 497 498 499
(a) During the Charter Period the Vessel shall be kept insured by the Owners at their expense against hull and machinery and war risks under the form of policy or policies attached hereto. The Owners and/or insurers shall not have any right of recovery or subrogation against the Charterers on account of loss of or any damage to the Vessel or her machinery or appurtenances covered by such insurance, or on account of payments made to discharge claims against or liabilities of the Vessel or the Owners covered by such insurance. Insurance policies shall cover the Owners and the Charterers according to their respective interests.	428 429 430 431 432 433 434 435 436 437 438 439 440	(j) The Charterers shall upon the request of the Owners, promptly execute such documents as may be required to enable the Owners to abandon the Vessel to the insurers and claim a constructive total loss.	500 501 502 503
(b) During the Charter Period the Vessel shall be kept insured by the Charterers at their expense against Protection and Indemnity risks (and any risks against which it is compulsory to insure for the operation of the Vessel, including maintaining financial security in accordance with sub-clause 10(a)(iii)) in such form as the Owners shall in writing approve which approval shall not be unreasonably withheld.	441 442 443 444 445 446 447 448	(k) For the purpose of insurance coverage against hull and machinery and war risks under the provisions of sub-clause 14(a), the value of the Vessel is the sum indicated in Box 29.	504 505 506 507
(c) In the event that any act or negligence of the Charterers shall vitiate any of the insurance herein provided, the Charterers shall pay to the Owners all losses and indemnity the Owners against all claims and demands which would otherwise have been covered by such insurance.	449 450 451 452 453 454	(l) Notwithstanding anything contained in sub-clause 10(a), it is agreed that under the provisions of Clause 14, if applicable, the Owners shall keep the Vessel's Class fully up to date with the Classification Society indicated in Box 19 and maintain all other necessary certificates in force at all times.	508 509 510 511 512 513
(d) The Charterers shall, subject to the approval of the Owners or Owners' Underwriters, effect all insured repairs, and the Charterers shall undertake settlement of all miscellaneous expenses in connection with such repairs as well as all insured charges, expenses and liabilities, to the extent of coverage under the insurances provided for under the provisions of sub-clause 14(a). The Charterers to be secured reimbursement through the Owners' Underwriters for such expenditures upon presentation of accounts.	455 456 457 458 459 460 461 462 463 464	<b>15. Redelivery</b> At the expiration of the Charter Period the Vessel shall be redelivered by the Charterers to the Owners at a safe and ice-free port or place as indicated in Box 16, in such ready safe berth as the Owners may direct. The Charterers shall give the Owners not less than thirty (30) running days' preliminary notice of expected date, range of ports of redelivery or port or place of redelivery and not less than fourteen (14) running days' definite notice of expected date and port or place of redelivery. Any changes thereafter in the Vessel's position shall be notified immediately to the Owners. The Charterers warrant that they will not permit the Vessel to commence a voyage (including any preceding ballast voyage) which cannot reasonably be expected to be completed in time to allow redelivery of the Vessel within the Charter Period. Notwithstanding the above, should the Charterers fail to redeliver the Vessel within the Charter Period, the Charterers shall pay the daily equivalent to the rate of hire stated in Box 22 plus 10 per cent. or to the market rate, whichever is the higher, for the number of days by which the Charter Period is exceeded. All other terms, conditions and provisions of this Charter shall continue to apply.	514 515 516 517 518 519 520 521 522 523 524 525 526 527 528 529 530 531 532 533 534 535 536 537
(e) The Charterers to remain responsible for and to effect repairs and settlement of costs and expenses incurred thereby in respect of all other repairs not covered by the insurances and/or not exceeding any possible franchise(s) or deductibles provided for in the insurances.	465 466 467 468 469 470	Subject to the provisions of Clause 10, the Vessel shall be redelivered to the Owners in the same or as good structure, state, condition and class as that in which she was delivered, fair wear and tear not affecting class excepted.	538 539 540 541 542
(f) All time used for repairs under the provisions of sub-clauses 14(d) and 14(e) and for repairs of latent defects according to Clause 3 above, including any	471 472 473	The Vessel upon redelivery shall have her survey cycles up to date and trading and class certificates valid for at least the number of months agreed in Box 17.	543 544 545
		<b>16. Non-Lien</b>	546



**"BARECON 2001" Standard Bareboat Charter**

The Charterers will not suffer, nor permit to be continued, any mortgage, any possessory lien, any maritime lien or any other encumbrance incurred by them or their agents, which might have priority over the title and interest of the Owners in the Vessel. The Charterers further agree to fasten to the Vessel in a conspicuous place and to keep so fastened during the Charter Period a notice reading as follows:	547	the prior consent in writing of the Owners, which shall not be unreasonably withheld, and subject to such terms and conditions as the Owners shall approve.	611
"This Vessel is the property of (name of Owners). It is under charter to (name of Charterers) and by the terms of the Charter Party neither the Charterers nor the Master have any right, power or authority to create, incur or permit to be imposed on the Vessel any lien or maritime lien whatsoever."	548	(b) The Owners shall not sell the Vessel during the currency of this Charter (other than the Charterer), except with the prior written consent of the Charterers, which shall not be unreasonably withheld, and subject to the buyer accepting an assignment of this Charter.	612
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"BARECON 2001" Standard Bareboat Charter

(a) For the purpose of this Clause, the words "War Risks" shall include any war (whether actual or threatened), act of war, civil war, hostilities, revolution, rebellion, civil commotion, warlike operations, the laying of mines (whether actual or reported), acts of piracy, acts of terrorists, acts of hostility or malicious damage, blockades (whether imposed against all vessels or imposed selectively against vessels of certain flags or ownership, or against certain cargoes or crews or otherwise howsoever), by any person, body, terrorist or political group, or the Government of any state whatsoever, which may be dangerous or are likely to be or to become dangerous to the Vessel, her cargo, crew or other persons on board the Vessel.	679 680 681 682 683 684 685 686 687 688 689 690 691 692	Russia; the United Kingdom; France; and the People's Republic of China; (ii) between any two or more of the countries stated in Box 36, both the Owners and the Charterers shall have the right to cancel this Charter, whereupon the Charterers shall redeliver the Vessel to the Owners in accordance with Clause 16, if the Vessel has cargo on board after discharge thereof at destination, or if debarré under this Clause from reaching or entering it at a near, open and safe port as directed by the Owners, or if the Vessel has no cargo on board, at the port at which the Vessel then is or if at sea at a near, open and safe port as directed by the Owners. In all cases hire shall continue to be paid in accordance with Clause 11 and except as aforesaid all other provisions of this Charter shall apply until redelivery.	748 749 750 751 752 753 754 755 756 757 758 759 760 761 762 763
(b) The Vessel, unless the written consent of the Owners be first obtained, shall not continue to or go through any port, place, area or zone (whether of land or sea), or any waterway or canal, where it reasonably appears that the Vessel, her cargo, crew or other persons on board the Vessel, in the reasonable judgement of the Owners, may be, or are likely to be, exposed to War Risks, unless the insurers have granted permission for the Vessel to trade in such place/places/zone. Should the Vessel be within any such place as aforesaid, which only becomes dangerous, or is likely to be or to become dangerous, after her entry into it, the Owners shall have the right to require the Vessel to leave such area unless the insurers have granted permission for the Vessel to trade in such place/places/zone.	693 694 695 696 697 698 699 700 701 702 703 704	27. Commission The Shipbroker to collect from the Owner 1% (one per cent) on all gross payments made by the Charterer to the Owner as defined in Clauses, 36.4, 43.2, 43.3 and 45.1. The Charterers are entitled to reduce 1% address commission from the hire. The Owners to pay a commission at the rate indicated in Box 33 to the Brokers named in Box 33 on any hire paid under the Charter. If no rate is indicated in Box 33, the commission to be paid by the Owners shall cover the actual expenses of the Brokers and a reasonable fee for their work. If the full hire is not paid owing to breach of the Charter by either of the parties the party liable therefor shall indemnify the Brokers against their loss of commission. Should the parties agree to cancel the Charter, the Owners shall indemnify the Brokers against any loss of commission but in such case the commission shall not exceed the brokerage on one year's hire.	764 765 766 767 768 769 770 771 772 773 774 775 776 777
(c) The Vessel shall not load contraband cargo, or to pass through any blockade, whether such blockade be imposed on all vessels, or is imposed selectively in any way whatsoever against vessels of certain flags or ownership, or against certain cargoes or crews or otherwise howsoever, or to proceed to an area where she shall be subject, or is likely to be subject to a belligerent's right of search and/or confiscation.	705 706 707 708 709 710 711 712	28. Termination (as per see Clause 45 and 47)	778
(d) If the insurers of the war risks insurance, when Clause 14 is applicable, should require payment of premiums and/or calls because, pursuant to the Charterers' orders, the Vessel is within, or is due to enter and remain within, any area or areas which are specified by such insurers as being subject to additional premiums because of War Risks, then such premiums and/or calls shall be reimbursed by the Charterers to the Owners at the same time as the next payment of hire is due.	713 714 715 716 717 718 719 720 721	(a) Charterers' Default The Owners shall be entitled to withdraw the Vessel from the service of the Charterers and terminate the Charter with immediate effect by written notice to the Charterers if: (i) the Charterers fail to pay hire in accordance with Clause 11. However, where there is a failure to make punctual payment of hire due to oversight, negligence, errors or omissions on the part of the Charterers or their bankers, the Owners shall give the Charterers written notice of the number of clear banking days stated in Box 34 (as recognised at the agreed place of payment) in which to rectify the failure, and when so rectified within such number of days following the Owners' notice, the payment shall stand as regular and punctual. Failure by the Charterers to pay hire within the number of days stated in Box 34 of their receiving the Owners' notice as provided herein, shall entitle the Owners to withdraw the Vessel from the service of the Charterers and terminate the Charter without further notice; (ii) the Charterers fail to comply with the requirements of: (1) Clause 6 (Trading Restrictions) (2) Clause 13(a) (Insurance and Repairs) provided that the Owners shall have the option, by written notice to the Charterers, to give the Charterers a specified number of days grace within which to rectify the failure without prejudice to the Owners' right to withdraw and terminate under this Clause if the Charterers fail to comply with such notice; (iii) the Charterers fail to rectify any failure to comply with the requirements of sub clause 13(a)(ii) (Maintenance and Repairs) as soon as practically possible after the Owners have requested them in writing so to do and in any event so that the Vessel is	779 780 781 782 783 784 785 786 787 788 789 790 791 792 793 794 795 796 797 798 799 800 801 802 803 804 805 806 807 808 809 810 811 812 813 814
(e) The Charterers shall be obliged to have the liberty:	722		
(i) to comply with all compulsory orders, directions, recommendations or advice as to departure, arrival, routes, sailing in convoy, ports of call, stoppages, destinations, discharge of cargo, delivery, or in any other way whatsoever, which are given by the Government of the Nation under whose flag the Vessel sails, or any other Government, body or group whatsoever acting with the power to compel compliance with their orders or directions;	723 724 725 726 727 728 729 730 731		
(ii) to comply with all compulsory the orders, directions or recommendations of any war risks underwriters who have the authority to give the same under the terms of the war risks insurance;	732 733 734 735		
(iii) to comply with the terms of any resolution of the Security Council of the United Nations, any directives of the European Community, the effective orders of any other Supranational body which has the right to issue and give the same, and with national laws aimed at enforcing the same to which the Owners are subject, and to obey the orders and directions of those who are charged with their enforcement.	736 737 738 739 740 741 742 743 744		
(f) In the event of outbreak of war (whether there be a declaration of war or not) (i) between any two or more of the following countries: the United States of America;	745 746 747		



insurance cover is not prejudiced. 815  
 (b) Owners' Default [Note: Clause 47] 816  
 If the Owners shall by any act or omission be in breach 817  
 of their obligations under this Charter to the extent that 818  
 the Charterers are deprived of the use of the Vessel 819  
 and such breach continues for a period of fourteen (14) 820  
 running days after written notice thereof has been given 821  
 by the Charterers to the Owners, the Charterers shall 822  
 be entitled to terminate this Charter with immediate effect 823  
 by written notice to the Owners. 824  
 (c) Loss of Vessel 825  
 This Charter shall be deemed to be terminated if the 826  
 Vessel becomes a total loss or is declared as a 827  
 constructive or compromised or arranged total loss. For 828  
 the purpose of this sub-clause, the Vessel shall not be 829  
 deemed to be lost unless she has either become an 830  
 actual total loss or agreement has been reached with 831  
 her underwriters in respect of her constructive, 832  
 compromised or arranged total loss or if such agreement 833  
 with her underwriters is not reached it is adjudged by a 834  
 competent tribunal that a constructive loss of the Vessel 835  
 has occurred. 836  
 (d) Either party shall be entitled to terminate this 837  
 Charter with immediate effect by written notice to the 838  
 other party, in the event of an order being made or 839  
 resolution passed for the winding up, dissolution, 840  
 liquidation or bankruptcy of the other party (otherwise 841  
 than for the purpose of reconstruction or amalgamation) 842  
 or if a receiver is appointed, or if it suspends payment, 843  
 ceases to carry on business or makes any special 844  
 arrangement or composition with its creditors. 845  
 (e) The termination of this Charter shall be without 846  
 prejudice to all rights accrued due between the parties 847  
 prior to the date of termination and to any claim that 848  
 either party might have. 849  
 29. Repossession 850  
 In the event of the termination of this Charter in 851  
 accordance with the applicable provisions of Clauses 28 852  
46 and 47, 853  
 the Owners shall have the right to repossess the Vessel 854  
 from the Charterers at her current or next port of call, or 855  
 at a port or place convenient to them without hindrance 856  
 or interference by the Charterers, courts or local 857  
 authorities. Pending physical repossession of the Vessel 858  
 in accordance with this Clause 29, the Charterers shall 859  
 hold the Vessel as gratuitous bailee only to the Owners. 860  
 The Owners shall arrange for an authorised represent- 861  
 ative to board the Vessel as soon as reasonably 862  
 practicable following the termination of the Charter. The 863  
 Vessel shall be deemed to be repossessed by the 864  
 Owners from the Charterers upon the boarding of the 865  
 Vessel by the Owners' representative. All arrangements 866  
 and expenses relating to the settling of wages, 867  
 disembarkation and repatriation of the Charterers' 868  
 Master, officers and crew shall be the sole responsibility 869  
 of the Charterers.  
 30. Dispute Resolution [as per Clause 59] 870  
 \*) (a) This Contract shall be governed by and construed 871  
 in accordance with English law and any dispute arising 872  
 out of or in connection with this Contract shall be referred 873  
 to arbitration in London in accordance with the Arbitration 874  
 Act 1996 or any statutory modification or re-enactment 875  
 thereof save to the extent necessary to give effect to 876  
 the provisions of this Clause. 877  
 The arbitration shall be conducted in accordance with 878  
 the London Maritime Arbitrators Association (LMAA) 879  
 Terms current at the time when the arbitration proceed- 880  
 ings are commenced. 881  
 The reference shall be to three arbitrators. A party 882  
 wishing to refer a dispute to arbitration shall appoint its 883  
 arbitrator and send notice of such appointment in writing 884  
 to the other party requiring the other party to appoint its 885  
 own arbitrator within 14 calendar days of that notice and 886  
 stating that it will appoint its arbitrator as sole arbitrator 887  
 unless the other party appoints its own arbitrator and 888  
 gives notice that it has done so within the 14 days 889  
 specified. If the other party does not appoint its own 890  
 arbitrator and give notice that it has done so within the 891  
 14 days specified, the party referring a dispute to 892  
 arbitration may, without the requirement of any further 893  
 prior notice to the other party, appoint its arbitrator as 894  
 sole arbitrator and shall advise the other party 895  
 accordingly. The award of a sole arbitrator shall be 896  
 binding on both parties as if he had been appointed by 897  
 agreement. 898  
 Nothing herein shall prevent the parties agreeing in 899  
 writing to vary these provisions to provide for the 900  
 appointment of a sole arbitrator. 901  
 In cases where neither the claim nor any counterclaim 902  
 exceeds the sum of US\$50,000 (or such other sum as 903  
 the parties may agree) the arbitration shall be conducted 904  
 in accordance with the LMAA Small Claims Procedure 905  
 current at the time when the arbitration proceedings are 906  
 commenced. 907  
 \*) (b) This Contract shall be governed by and construed 908  
 in accordance with Title 9 of the United States Code 909  
 and the Maritime Law of the United States and any 910  
 dispute arising out of or in connection with this Contract 911  
 shall be referred to three persons at New York, one to 912  
 be appointed by each of the parties hereto, and the third 913  
 by the two so chosen, their decision or that of any two 914  
 of them shall be final, and for the purposes of enforcing 915  
 any award, judgement may be entered on an award by 916  
 any court of competent jurisdiction. The proceedings 917  
 shall be conducted in accordance with the rules of the 918  
 Society of Maritime Arbitrators, Inc. 919  
 In cases where neither the claim nor any counterclaim 920  
 exceeds the sum of US\$50,000 (or such other sum as 921  
 the parties may agree) the arbitration shall be conducted 922  
 in accordance with the Shortened Arbitration Procedure 923  
 of the Society of Maritime Arbitrators, Inc. current at 924  
 the time when the arbitration proceedings are commenced. 925  
 \*) (c) This Contract shall be governed by and construed 926  
 in accordance with the laws of the place mutually agreed 927  
 by the parties and any dispute arising out of or in 928  
 connection with this Contract shall be referred to 929  
 arbitration at a mutually agreed place, subject to the 930  
 procedures applicable there. 931  
 (d) Notwithstanding (a), (b) or (c) above, the parties 932  
 may agree at any time to refer to mediation any 933  
 difference and/or dispute arising out of or in connection 934  
 with this Contract. 935  
 In the case of a dispute in respect of which arbitration 936  
 has been commenced under (a), (b) or (c) above, the 937  
 following shall apply: 938  
 (i) Either party may at any time and from time to time 939  
 elect to refer the dispute or part of the dispute to 940  
 mediation by service on the other party of a written 941  
 notice (the "Mediation Notice") calling on the other 942  
 party to agree to mediation. 943  
 (ii) The other party shall thereupon within 14 calendar 944  
 days of receipt of the Mediation Notice confirm that 945  
 they agree to mediation, in which case the parties 946  
 shall thereafter agree a mediator within a further 947  
 14 calendar days, failing which on the application 948  
 of either party a mediator will be appointed promptly 949  
 by the Arbitration Tribunal ("the Tribunal") or such 950  
 person as the Tribunal may designate for that 951  
 purpose. The mediation shall be conducted in such 952  
 place and in accordance with such procedure and 953  
 on such terms as the parties may agree or, in the 954  
 event of disagreement, as may be set by the 955  
 mediator. 956  
 (iii) If the other party does not agree to mediate, that 957  
 fact may be brought to the attention of the Tribunal 958  
 and may be taken into account by the Tribunal when 959  
 allocating the costs of the arbitration as between 960  
 the parties. 961



"BARECON 2001" Standard Bareboat Charter

- (iv) The mediation shall not affect the right of either party to seek such relief or take such steps as it considers necessary to protect its interest. 962  
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- (v) Either party may advise the Tribunal that they have agreed to mediation. The arbitration procedure shall continue during the conduct of the mediation but the Tribunal may take the mediation timetable into account when setting the timetable for steps in the arbitration. 964  
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- (vi) Unless otherwise agreed or specified in the mediation terms, each party shall bear its own costs incurred in the mediation and the parties shall share equally the mediator's costs and expenses. 971  
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- (vii) The mediation process shall be without prejudice and confidential and no information or documents disclosed during it shall be revealed to the Tribunal except to the extent that they are disclosable under the law and procedure governing the arbitration. 975  
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- (Note: The parties should be aware that the mediation process may not necessarily interrupt time limits.)* 980  
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- (e) If Box 35 in Part I is not appropriately filled in, sub-clause 30(a) of this Clause shall apply. Sub-clause 30(d) shall apply in all cases. 982  
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- <sup>\*)</sup> Sub-clauses 30(a), 30(b) and 30(c) are alternatives; indicate alternative agreed in Box 35. 985  
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31. Notices [as per Clause 60] 987
- (a) Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex, registered or recorded mail or by personal service. 988  
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- (b) The address of the Parties for service of such communication shall be as stated in Boxes 3 and 4 respectively. 991  
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*Handwritten signature/initials*



## PART III

## PROVISIONS TO APPLY FOR NEWBUILDING VESSELS ONLY

(Optional, only to apply if expressly agreed and stated in Box 37)

OPTIONAL  
PART

## 1. Specifications and Building Contract

(a) The Vessel shall be constructed in accordance with the Building Contract (hereafter called "the Building Contract" as defined in Clause 33) as annexed to this Charter, made between the Builders and the Owners and in accordance with the specifications and plans annexed thereto, such Building Contract, specifications and plans having been countersigned as approved by the Charterers.

(b) No change shall be made in the Building Contract or in the specifications or plans of the Vessel as approved by the Charterers as aforesaid, without the Charterers' consent.

(c) The Charterers shall have the right to send their representative to the Builders' Yard to inspect the Vessel during the course of her construction to satisfy themselves that construction is in accordance with such approved specifications and plans as referred to under sub-clause (a) of this Clause.

(d) The Vessel shall be built in accordance with the Building Contract and shall be of the description set out therein. Subject to the provisions of sub-clause 2(c)(ii) hereunder, the Charterers shall be bound to accept the Vessel from the Owners, completed and constructed in accordance with the Building Contract, on the date of delivery by the Builders. The Charterers undertake that having accepted the Vessel they will not thereafter raise any claims against the Owners in respect of the Vessel's performance or specification or defects, (except for the defects covered by the warranty), if any. Nevertheless, in respect of any repairs, replacements or defects which appear within the first 12 months from delivery by the Builders, the Owners shall endeavour to compel the Builders to repair, replace or remedy any defects or to recover from the Builders any expenditure incurred in carrying out such repairs, replacements or remedies. However, the Owners' liability to the Charterers shall be limited to the extent the Owners have a valid claim against the Builders under the guarantee clause of the Building Contract (a copy whereof has been supplied to the Charterers). The Charterers shall be bound to accept such sums as the Owners are reasonably able to recover under this Clause and shall make no further claim on the Owners for the difference between the amount(s) so recovered and the actual expenditure on repairs, replacement or remedying defects or for any loss of time incurred. Any liquidated damages for physical defects or deficiencies shall accrue to the account of the party stated in Box 41(a) or if not filled in shall be shared equally between the parties. The costs of pursuing a claim or claims against the Builders under this Clause (including any liability to the Builders) shall be borne by the party stated in Box 41(b) or if not filled in shall be shared equally between the parties.

## 2. Time and Place of Delivery - see Clause 34

(a) Subject to the Vessel having completed her acceptance trials including trials of cargo equipment in accordance with the Building Contract and specifications to the satisfaction of the Charterers, the Owners shall give and the Charterers shall take delivery of the Vessel afloat when ready for delivery and properly documented at the Builders' Yard or some other safe and readily accessible dock, wharf or place as may be agreed between the parties hereto and the Builders. Under the Building Contract the Builders have estimated that the Vessel will be ready for delivery to the Owners as therein provided but the delivery date for the purpose of this Charter shall be the date when the Vessel is in fact ready for delivery by the Builders after completion of trials whether that be before or after as indicated in the Building Contract. The Charterers shall not

be entitled to refuse acceptance of delivery of the Vessel and upon and after such acceptance, subject to Clause 1(d), the Charterers shall not be entitled to make any claim against the Owners in respect of any conditions, representations or warranties, whether express or implied, as to the seaworthiness of the Vessel or in respect of delay in delivery.

(b) If for any reason other than a default by the Owners under the Building Contract, the Builders become entitled under that Contract not to deliver the Vessel to the Owners, the Owners shall upon giving to the Charterers written notice of Builders becoming so entitled, be excused from giving delivery of the Vessel to the Charterers and upon receipt of such notice by the Charterers this Charter shall cease to have effect.

(c) If for any reason the Owners become entitled under the Building Contract to reject the Vessel the Owners shall, before exercising such right of rejection, consult the Charterers and thereupon:

(i) if the Charterers do not wish to take delivery of the Vessel they shall inform the Owners within seven (7) running days by notice in writing and upon receipt by the Owners of such notice this Charter shall cease to have effect; or

(ii) if the Charterers wish to take delivery of the Vessel they may by notice in writing within seven (7) running days require the Owners to negotiate with the Builders as to the terms on which delivery should be taken and/or refrain from exercising their right to rejection and upon receipt of such notice the Owners shall commence such negotiations and/or take delivery of the Vessel from the Builders and deliver her to the Charterers;

(iii) in no circumstances shall the Charterers be entitled to reject the Vessel unless the Owners are able to reject the Vessel from the Builders;

(iv) if this Charter terminates under sub-clause (b) or (c) of this Clause, the Owners shall thereafter not be liable to the Charterers for any claim under or arising out of this Charter or its termination.

(d) Any liquidated damages for delay in delivery under the Building Contract and any costs incurred in pursuing a claim therefor shall accrue to the account of the party stated in Box 41(c) or if not filled in shall be shared equally between the parties.

## 3. Guarantee Works

If not otherwise agreed, the Owners authorise the Charterers to arrange for the guarantee works to be performed in accordance with the building contract terms, and hire to continue during the period of guarantee works. The Charterers have to advise the Owners about the performance to the extent the Owners may request.

## 4. Name of Vessel

The name of the Vessel shall be mutually agreed between the Owners and the Charterers and the Vessel shall be painted in the colours, display the funnel insignia and fly the house flag as required by the Charterers.

## 5. Survey on Redelivery

The Owners and the Charterers shall appoint surveyors for the purpose of determining and agreeing in writing the condition of the Vessel at the time of re-delivery. Without prejudice to Clause 15 (Part II), the Charterers shall bear all survey expenses and all other costs, if any, including the cost of docking and undocking, if required, as well as all repair costs incurred. The Charterers shall also bear all loss of time spent in connection with any docking and undocking as well as repairs, which shall be paid at the rate of hire per day or pro-rata.



**PART IV**  
**HIRE/PURCHASE AGREEMENT**

(Optional, only to apply if expressly agreed and stated in Box 42)

**OPTIONAL  
PART**

On expiration of this Charter and provided the Charterers have fulfilled their obligations according to Part I and II as well as Part III, if applicable, it is agreed, that on payment of the final payment of hire as per Clause 11 the Charterers have purchased the Vessel with everything belonging to her and the Vessel is fully paid for.

*In the following paragraphs the Owners are referred to as the Sellers and the Charterers as the Buyers.*

The Vessel shall be delivered by the Sellers and taken over by the Buyers on expiration of the Charter.

The Sellers guarantee that the Vessel, at the time of delivery, is free from all encumbrances and maritime liens or any debts whatsoever other than those arising from anything done or not done by the Buyers or any existing mortgage agreed not to be paid off by the time of delivery. Should any claims, which have been incurred prior to the time of delivery be made against the Vessel, the Sellers hereby undertake to indemnify the Buyers against all consequences of such claims to the extent it can be proved that the Sellers are responsible for such claims. Any taxes, notarial, consular and other charges and expenses connected with the purchase and registration under Buyers' flag, shall be for Buyers' account. Any taxes, consular and other charges and expenses connected with closing of the Sellers' register, shall be for Sellers' account.

In exchange for payment of the last month's hire instalment the Sellers shall furnish the Buyers with a Bill of Sale duly attested and legalized, together with a certificate setting out the registered encumbrances, if any. On delivery of the Vessel the Sellers shall provide for deletion of the Vessel from the Ship's Register and deliver a certificate of deletion to the Buyers.

The Sellers shall, at the time of delivery, hand to the Buyers all classification certificates (for hull, engines, anchors, chains, etc.), as well as all plans which may be in Sellers' possession.

The Wireless Installation and Nautical Instruments, unless on hire, shall be included in the sale without any extra payment.

The Vessel with everything belonging to her shall be at Sellers' risk and expense until she is delivered to the Buyers, subject to the conditions of this Contract and the Vessel with everything belonging to her shall be delivered and taken over as she is at the time of delivery, after which the Sellers shall have no responsibility for possible faults or deficiencies of any description.

The Buyers undertake to pay for the repatriation of the Master, officers and other personnel if appointed by the Sellers to the port where the Vessel entered the Bareboat Charter as per Clause 3 (Part II) or to pay the equivalent cost for their journey to any other place.

## PART V

## PROVISIONS TO APPLY FOR VESSELS REGISTERED IN A BAREBOAT CHARTER REGISTRY

(Optional, only to apply if expressly agreed and stated in Box 43)

## 1. Definitions

For the purpose of this PART V, the following terms shall have the meanings hereby assigned to them:

"The Bareboat Charter Registry" shall mean the registry of the State whose flag the Vessel will fly and in which the Charterers are registered as the bareboat charterers during the period of the Bareboat Charter.

"The Underlying Registry" shall mean the registry of the state in which the Owners of the Vessel are registered as Owners and to which jurisdiction and control of the Vessel will revert upon termination of the Bareboat Charter Registration.

## 2. Mortgage

The Vessel chartered under this Charter is financed by a mortgage and the provisions of Clause 12(b) (Part II) shall apply.

## 3. Termination of Charter by Default

If the Vessel chartered under this Charter is registered in a Bareboat Charter Registry as stated in Box 44, and if the Owners shall default in the payment of any amounts due under the mortgage(s) specified in Box 28, the Charterers shall, if so required by the mortgagee, direct the Owners to re-register the Vessel in the Underlying Registry as shown in Box 45.

In the event of the Vessel being deleted from the Bareboat Charter Registry as stated in Box 44, due to a default by the Owners in the payment of any amounts due under the mortgage(s), the Charterers shall have the right to terminate this Charter forthwith and without prejudice to any other claim they may have against the Owners under this Charter.





32. **Interpretation**

32.1 The following Clauses shall be deemed to be incorporated as an integral part of the Charter. In the event of any conflict between the provisions of these Additional Clauses and the printed provisions of the Charter, the provisions of these Additional Clauses hereunder shall prevail to the extent of such conflict but no further.

32.2 The captions and headings of Clauses herein are inserted for convenience only and shall not be construed to have any restrictive effect on the text herein.

33. **Additional Definitions**

The following expressions have the following meanings:

<b>Affiliate</b>	In relation to any entity ("first entity"), any other entity which directly or indirectly Controls the first entity; is Controlled by the first entity; or is Controlled by an entity which Controls the first entity.
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<b>Assignment of Insurance</b>	The assignment of the relevant Insurances and the relevant Requisition Compensation executed or to be executed by the Charterers in favour of the Owners in form and substance acceptable to the Owners
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<b>Assigned Rights</b>	All of the Owner's rights, title, interest and all its benefits present and future in and under Article IV ( <i>Supervision and Inspection</i> ), V ( <i>Modification, Changes and Extras</i> ), VI ( <i>Trials</i> ) and IX ( <i>Warranty of Quality</i> ) under the Building Contract;
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<b>Builder</b>	Jiangsu New Yangzi Shipbuilding Co., Ltd and Jiangsu Yangzi Xinfu Shipbuilding Co., Ltd., and Jiangsu Tianyuan Marine Import & Export Co., Ltd, see Clause 34.4
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<b>Building Contract</b>	Means the shipbuilding contract dated 23 <sup>rd</sup> July 2013 made by and between the Owners as the buyer and the Builder as seller bearing CONTRACT NO.: in respect of the building and sale and purchase of the Vessel.
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<b>Business Day</b>	Means a day other than a Saturday or Sunday or public or bank holiday on which the banks in New York, London, Athens and Shanghai are open for business generally.
<b>Classification Society</b>	Lloyd's Register
<b>Collateral Charter</b>	Means the Bareboat Charter Party dated, 2013 by and between Cygnus Shipping Pte. Ltd as owner and GMI Resources (Singapore) Pte Limited as charterer in respect of one (1) 82,000DWT Bulk Carrier bearing the Builder's Hull Number YZJ2013-1065.
<b>Collateral Charterer's Default</b>	Means the Chareterer's Default as defined in the Collateral Charter
<b>Collateral Owner's Default</b>	Means the Owner's Default as defined in the Collateral Charter
<b>Conditional Assigned Rights</b>	All of the Owner's rights, title, interest and all its benefits present and future in and under Article X ( <i>Cancellation, Rejection and Rescission by the Buyer</i> ) and Article XII (INSURANCE) Section 2 Part (b) Total Loss, of the Building Contract and the Refund Guarantee and in all moneys payable by the Builder and/or the Refund Guarantor to the Owner thereunder including, without prejudice to the generality of the foregoing, all claims for damages in respect of any breach by the Builder of the Construction Contract or by the Guarantor Bank of the Refund Guarantee
<b>Control</b>	Means the power of a person to secure that the affairs of a body corporate or limited liability company are conducted in accordance with the wishes of that person:  (a) by means of the holding of shares, or the possession of voting power, in or in relation to that or any other body





corporate or limited liability company; or

(b) by virtue of any powers conferred by the constitutional or corporate documents, or any other document, regulating that or any other body corporate or limited liability company.

<b>Delivery Date</b>	Means the date on which the Vessel is actually delivered to the Charterers as evidenced by the Protocol of Delivery and Acceptance in accordance with Clause 34.3
<b>Facility Agreement</b>	Means the loan facility agreement to be entered into by and between the Owner as borrower and a mortgagee of the Vessel as lender in relation to financing of the Vessel.
<b>Flag State</b>	Singapore (the " <b>Flag State</b> ")
<b>Liquidated Damage</b>	Means the amount induced on daily basis at the rate of USD 1,986 (Say United States Dollars One Thousand, Nine Hundred and Eighty Six Only) per day for the time period from the date when the Owner's receipt of the termination or rescission notice given by the Charterers in accordance with Clause 47.2 till the eighth anniversary of the Delivery Date.
<b>Manager</b>	Means first class manager as may be appointed by the Charterer, with the prior written consent of the Owner, as the manager of the Vessel. Prior written consent of the Owner, not to be unreasonably withheld or delayed.
<b>Manager's Undertaking</b>	In relation to the Vessel, an undertaking executed or to be executed by the Manager in favour of the Owners in form and substance acceptable to the Owners



<b>Upfront Charter-Hire</b>	The sum of USD 5,800,000 (being the total amount of the instalments under Clause 43), ignoring any deduction from the instalments on account of liquidated damages or otherwise
<b>Refund Guarantee</b>	Means the Refund Guarantee issued by Agricultural Bank of China in accordance with the Building Contract
<b>Refund Guarantor</b>	Agricultural Bank of China
<b>Shipyard</b>	Jiangsu New Yangzi Shipbuilding Co., Ltd and Jiangsu Yangzi Xinfu Shipbuilding Co., Ltd., see Clause 34.4
<b>ton, or t</b>	A metric ton
<b>Vessel</b>	One (1) 82,000DWT Bulk Carrier bearing the Builder's Hull Number YZJ2013-1066 more fully described the Building Contract thereof, to be constructed by the Owners on the terms set out in this Charter

**34. Delivery**

34.1 The Vessel shall be delivered by the Owners and taken over by the Charterers simultaneously with the delivery between the Builders and the Owners provided always that:

- (a) The Vessel has been constructed in accordance with the Building Contract.
- (b) A set of documents necessary for the seaworthiness of the Vessel including but not limited to class and trading certificates, plans and instruction books etc. are handed to the Charterers. However, the Charterers shall provide to the Owners all necessary certificates, documents and information required for timely registration and vessel delivery from the Builder.
- (c) It is unconditionally agreed between the Charterers and the Owners that the Owners' only obligation is to deliver the Vessel to the Charterers in the same condition and with the same equipment as delivered to the Owners by the Builder under the Building Contract provided that the Charterer's written confirmation of their acceptance of the Vessel has been received by the Owners. To the extent that the "Buyers' Supplied items" (as defined in the





Building Contract and specifications) hereof, the Charterers shall be responsible for the procurement and supply of all "Buyer's Supplied Items" at their sole cost and expenses.

- 34.2 Under the Building Contract the Builders have estimated that the Vessel will be ready for delivery to the Owners as therein provided but the delivery date for the purpose of this Charter shall be the date when the Vessel is in fact ready for delivery by the Builders to the Owners after completion of trials whether that be before or after as indicated in the Building Contract. The date of delivery for the purpose of this Charter shall be the date when the Ship is actually delivered by the Builders to the Owners pursuant to the Building Contract notwithstanding the date in Box 14 of Part I of this Charter. The Owner shall not under any circumstance be responsible for any losses or damage as a result of any delay in delivery of the Ship to the Charterer for whatsoever reason.
- 34.3 At the time of delivery, the Owners and the Charterers shall sign a Protocol of Delivery and Acceptance evidencing the same, and the Vessel shall be on hire upon signing of the Protocol of Delivery and Acceptance.
- 34.4 Charterers shall carry out a technical visit/inspection of Jiangsu Yangzi Xinfu Shipbuilding Co., Ltd., and declare their approval no later than 31<sup>st</sup> December 2013. It is mutually understood and acknowledged that the construction of the Vessel shall not take place at Jiangsu Yangzi Xinfu Shipbuilding Co., Ltd., unless Charterers declare their approval and if this is the case construction of the Vessel will remain at Jiangsu New Yangzi Shipbuilding Co., Ltd.

34.5

35. **Condition Precedent**

- 35.1 The Owners shall not be obliged to charter the Vessel to the Charterers in accordance with the terms and conditions of this Charter unless the Owners, on or before the Delivery Date, have received all of the documents and other evidences listed in Part III of Schedule I (*Conditions Precedent*) in form and substance satisfactory to the Owners.
- 35.2 The conditions precedent set out in Part III Schedule I (*Conditions Precedent*) and this Clause 35 are for the sole benefit of the Owners and may be waived by the Owners in whole or in part, with or without conditions, on or before the Delivery Date without prejudice to the right of the Owners to require fulfilment of such conditions in whole or in part at any time thereafter.

36. **Hire**

- 36.1 The Charterers shall pay hire due to the Owners punctually in accordance with the terms of this Charter. The Charterers' obligation to pay Hire under this Charter shall be absolute and unconditional under all circumstances (including but not limited to any part of lay-up period if any).



- 36.2 In the event that the Contract Price under the Building Contract is (on the net basis) adjusted upwards in accordance with Article III (*Adjustment of the Contract Price*) of the Building Contract, the Charterers shall, on or before the Delivery Date, pay to the Owner an additional upfront charter-hire payment (the "**Additional Upfront Charter-hire**") in the full amount of such upwards adjustment;
- 36.3 In the event that the Contract Price under the Building Contract is (on the net basis) adjusted downwards in accordance with Article III (*Adjustment of the Contract Price*) of the Building Contract, the amount of the adjustment shall be paid on the Delivery Date;
- 36.4 The Charterers shall pay to the Owners for the hire of the Vessel at a daily rate and pro rata for part of a day as follows:
- (a) from the Delivery Date and until and including the fourth anniversary of delivery: USD 6,633 (United States Dollars six thousand six hundred and thirty three); then
  - (b) from the day next following and until and including the eighth anniversary of delivery: USD 7,653 (United States Dollars seven thousand six hundred and fifty three); and then
  - (c) no further hire shall be payable until redelivery.
- 36.5 Hire shall be paid continuously throughout the Charter Period.
- 36.6 Hire shall be paid 30 days in advance, the first payment on the date of delivery and each successive payment on the first day of each successive period of 30 days.
- 36.7 Payment of hire shall be made in cash without discount in the currency and in the manner indicated in Box 25 and at the place mentioned in Box 26.
- 36.8 Final payment of hire, if for a period of less than thirty (30) running days, shall be calculated proportionally according to the number of days and hours remaining before redelivery and advance payment to be effected accordingly. Should any hire nevertheless be overpaid, the Owners shall refund the same on redelivery.
- 36.9 All payments of hire shall be made on a Business Day. If the due date for payment falls on a day which is not a Business Day, payment shall fall due and be made on the immediately succeeding Business Day.
37. **Notice for Inspection and Information regarding itinerary**
- 37.1 In respect of any inspection under Clause 8 the Owners shall advise the Charterers three (3) Banking Days in advance of the intended inspection, provided always that no such inspection shall hamper or delay the Vessel.
- 37.2 The Charterers shall advise the Owners of the Vessel's itinerary and employment whenever requested by the Owners in writing during the Charter Period.





**38. Lay-up Clause**

- 38.1 The Charterers shall have the option of laying up the Vessel for all or any portion (exceeding 30 days) of the Charter Period, in which case Hire hereunder shall continue to be paid in full. In case of lay-up, the Charterers shall arrange for docking of the Vessel at their cost prior to Vessel being put back to service.
- 38.2 The lay up port or place shall be at the Charterers' option but shall always be safe and acceptable to the Owners and the insurers. All cost and expenses incurred shall be for the Charterers account.
- 38.3 The Charterers shall keep the Owners well informed of their intention and arrangement regarding lay up.

**39. Repair and Improvement**

- 39.1 Charterers shall repair the Vessel as required by Clause 13.
- 39.2 All class related repairs should be done under the supervision of the Classification Society and to the classification surveyors' satisfaction. All repairs should be arranged/done timely and properly.
- 39.3 In any case of casualty or accident for which estimated damages exceed the amount of USD1,000,000 the Charterers shall notify the Owners promptly with full details and information as to repair arrangement.

**40. Taxes during Charter Period**

The following apply during the Charter Period

- 40.1 All taxes/dues on cargo and/or freight/vessel and/or hire to be for Charterers' account, except corporation or income taxes or similar taxes or taxes on the hire levied in Singapore. All dues, duties, charges and/or taxes on crew and/or stores etc to be for Charterers' account.

**41. Charterers' General Covenants**

The Charterers covenant with the Owners and undertake throughout the Charter Period that:

- 41.1 The Charterers shall provide the Owner with all the documents listed in Part I of Schedule I (*Condition Precedent*) in form and substance satisfactory to the Owners.
- 41.2 They will provide the Owners with such information concerning the Vessel as the Owners may from time to time reasonably require including (without limitation) information regarding the employment, condition, geographical position and crewing of the Vessel;
- 41.3 They will obtain and promptly renew from time to time, and will, whenever so reasonably requested by the Owners in writing, promptly furnish copies to the Owners of all such authorizations, approvals, consents and licenses (if any) as may be



required under any applicable law or regulation to enable the Charterers to perform their obligations under this Charter or required for the validity or enforceability of this Charter, and the Charterers shall in all material respects comply with the terms of the same.

41.4 They will notify the Owners forthwith by telex or telefax of:

- (a) any accident to the Vessel or incident which is or is likely to be a total loss or a constructive or compromised or arranged total loss;
- (b) any occurrence resulting in the Vessel becoming or being likely to become a total loss or a constructive or compromised or arranged total loss;
- (c) any requirement or recommendation made by any insurer or classification society, or by any competent authority, which is not complied with within any time limit imposed by such insurer, classification society or authority; and
- (d) any arrest of the Vessel, or the exercise or purported exercise of any lien on the Vessel or any requisition of the Vessel for hire;

41.5 Acknowledge and confirm that the Vessel shall remain the property of the Owners unless and until purchased by Owners under Clause 43, and that the Charterers shall otherwise have no rights or interest therein otherwise than as Charterers hereunder and that the Charterers shall at no time do or permit to be done any act or thing which might prejudice the rights of the Owners in and to the Vessel;

41.6 The Charterers will provide the Owners with audited annual reports within 180 days from the year end and un-audited semi-annual reports certified by CFO within 90days from half year end.

**42. Ship management and maintenance**

42.1 The Charterers are fully responsible for ship management (including crew and insurance arrangements and all other requirements for the Vessel) at their own risks and expenses.

42.2 The Charterers will procure that the Vessel is managed at all times only by a duly qualified affiliate of the Charterers or such managers which have been previously approved in writing by the Owners (such approval not to be unreasonably withheld).

42.3 The Charterers shall maintain the Vessel in accordance with the requirements of the Classification Society and to a standard not less than that to which the Charterers maintain the other vessels owned or managed by themselves or their Affiliates.

42.4 The Charterers warrant that they will during the whole Charter Period always comply well with all compulsory provisions, regulations, laws, orders, clauses, compulsory recommendations, directions whatsoever which may be given by any government, federal, state or municipal or other division or authority, competent authority at any





time in any port/place/country in relation to use/operation of the Vessel, including but not limited to be fully compliant with the regulations and requirements of the ISPS code (International Ship and Port Facility Security code) and ISM in every respects, all costs/expenses incurred to be for the Charterers' account. The Charterers also warrant that they shall at all times hold the Owners harmless and keep the Owners free of any liabilities, losses, penalties, claims, proceedings, duties and/or fees; whatsoever arising from the use/operation of the Vessel and cargo operation anytime in any case under this Charter.

42.5 The Charterers warrant that they shall on or prior to the Delivery Date provide the Owners with the Manager's Undertaking duly executed by the Manager.

43. **Sale and Purchase**

43.1 The Charterers have the option to purchase the Vessel at any time on or after delivery ("**Purchase Option**") , The Purchase Option may be exercised by the Charterers giving notice in writing to the Owners, not less than three months before the date ("**Declared Date**") on which they choose to purchase the Vessel. Notice once given shall be irrevocable and binding on both parties.

43.2 If the Purchase Option is exercised, the price ("**Purchase Price**") shall be the Purchase Price for the Declared Date according to the following table.

Date  (each shall be referred to as the "Purchase Option Date" and collectively the "Purchase Option Dates")	Purchase Price
On delivery	USD 22,350,000.00
Six months	USD 21,820,000.00
First anniversary	USD 21,270,000.00
Eighteen months	USD 20,710,000.00
Second anniversary	USD 20,130,000.00
Thirty months	USD 19,530,000.00
Third anniversary	USD 18,910,000.00.
Forty – two months	USD 18,280,000.00
Fourth Anniversary	USD 17,620,000.00.
Fifty-four months	USD16,760,000.00



Fifth Anniversary	USD 15,880,000.00.
Sixty six months	USD 14,960,000.00
Sixth Anniversary	USD 14,020,000.00.
Seventy eight months	USD 13,050,000.00
Seventh anniversary	USD 12,060,000.00.
Ninety months	USD 11,030,000.00

43.3 If they do not exercise the Purchase Option, the Charterers are unconditionally obliged to purchase the Vessel on the eighth anniversary of delivery at a Purchase Price of USD 10,000,000.00.

43.4 On any sale under this Clause 43, the Owners shall sell, and the Charterers shall buy, the Vessel on the terms as attached as Annex C.

**44. General undertakings by the Owners**

44.1 The Owners undertake that until the end of the Charter Period:

- (a) The Owners shall provide the Charterers with all the documents listed in Part II of Schedule I (*Condition Precedent*) in form and substance satisfactory to the Charterers.
- (b) The Owners shall remain under the sole Control of Yangzijiang Shipping Pte. Ltd and the sole legal and beneficial shareholder shall be Yangzijiang Shipping Pte. Ltd.
- (c) The Owners shall undertake no business other than the ownership and financing of the Vessel, and shall incur no obligations or liabilities and own no property except for this purpose.
- (d) The Owners shall not (except as expressly provided for in this Charter) and their Affiliates shall not interfere with the quiet and peaceful use, possession and employment of the Vessel by the Charterers.
- (e) At any time during the Charter Period, the amount of the outstanding principle advanced by the Owner in relation to the Vessel under the Facility Agreement shall be no more than the aggregate amount of the Purchase Price on the immediate preceding Purchase Option Date and the Upfront Charter-Hire.

**45. Upfront Charter-Hire and Refund of Upfront Charter-Hire**

45.1 The Charterers shall pay to the Owners the Upfront Charter-Hire in installments in the manner set out as follows:





- (a) The first instalment in the amount of United States Dollars One Million Four Hundred and Fifty Thousand only (US\$1,450,000.00), shall become due and payable and be paid by the Charterers within two (2) Banking Days after the Charterers have received a copy of the Notice of Assignment sent by the Owners to the Refund Guarantor and a copy of the Refund Guarantee. Jiangsu Tianyuan Marine Import & Export Co., Ltd shall confirm to the Charterers receipt of the amount either by fax or email .
- (b) The 2<sup>nd</sup> instalment in the amount of United States Dollars One Million Four Hundred and Fifty Thousand only (US\$1,450,000.00), shall become due and payable and be paid by the Charterers within two (2) Banking Days after the Charterers have received an e-mailed or telefaxed written payment demand from the Owners together with a certificate issued by Lloyd's Registry stating that the first steel plate has been cut in Builder's workshop (which is to take place not earlier than 14 months prior to the contractual delivery date stipulated in the Building Contract as annexed hereto). Jiangsu Tianyuan Marine Import & Export Co., Ltd shall confirm to the Charterers receipt of the amount either by fax or email
- (c) The third instalment in the amount of United States Dollars Two Million Nine Hundred Thousand only (US\$2,900,000.00), shall become due and payable and be paid by the Charterers within two (2) banking days after the Charterers have received a e-mailed or telefaxed written payment demand from the Owner together with a certificate issued by Lloyd's Registry stating that the launching of the Vessel has been carried out (which is to take place not earlier than 6 months prior to the contractual delivery date stipulated in the Building Contract as annexed hereto). Jiangsu Tianyuan Marine Import & Export Co., Ltd shall confirm to the Charterers receipt of the amount either by fax or email
- (d) All payments made by the Charterers prior to delivery of the Vessel shall be in the nature of advance to the Owners, and in the event this Charter Party is rescinded or cancelled by the Charterers in accordance with the terms of this Charter Party permitting such rescission or cancellation, the Owners shall refund to the Charterers in United States Dollars the full amount of all sums already paid by the Charterers to the Owners under this Charter Party, together with interest (at the rate set out in respective provision thereof) from the respective payment date(s) to the date of remittance by telegraphic transfer of such refund to the account specified by the Charterers.

45.2 Upon the delivery of the Vessel from the Owners to the Charterers, all above mentioned instalments shall automatically become the sole property and benefit of the Owners and will not under any circumstances be refundable to the Charterers. In the event that the Owners fail to deliver the Vessel to the Charterers on or before (the "Final Delivery Date", such date shall be automatically extended in accordance with the relevant articles contained in the Building Contract) due to any reason which cannot be attributed to the Charterers (the "Owner's Termination Event"), the



Owners shall thereupon (and without limitation to any other right of the Owners) repay to the Charterers the amount of the Upfront Charter-Hire, plus interest at the annual rate of: fixed 5% .

- 45.3 The Owners will pay the Liquidated Damages to the Charterers within 30 Banking Days from the Owner's receipt of the termination or rescission notice given by the Charterers in accordance with Clause 47.2 , unless the termination of the Charter is by reason of default by the Charterers.

46. **Termination for Charterers' default**

- 46.1 The Owners shall (in addition to any other rights they may have in relation to the event in question) be entitled to withdraw the Vessel from the service of the Charterers and terminate the Charter with immediate effect by written notice to the Charterers if any of the following occur (which shall constitute a repudiatory breach of contract) (in each case "**Charterers Default**"):

- (a) If the first instalment of the Upfront Charter-Hire is not received by the Owners in accordance with Clause 45.1(a), and the default is not remedied within **15 Banking Days** after Owners' notice to the Charterers in respect of the default; or
- (b) If the second or third instalment of the Upfront Charter-Hire is not received by the Owners within five (5) Banking Days after each due date thereof and the default is not remedied within 15 Banking Days after Owners' notice to the Charterers in respect of the default , or
- (c) If the Charterers fails to take delivery of the Vessel, when the Vessel is duly tendered for delivery by the Owners under the provisions of Clause 34hereof, or
- (d) If any other payment of hire under this Charter is not paid within 5 Banking Days following its due date;
- (e) If the Charterers fail to comply with their obligations under Clause 13 of this Charter in relation to insuring the Vessel, not remedied within 14 days after receiving notice in writing from the Owners;
- (f) If an order is be made (and not discharged within 60 days) or an effective resolution is passed for the administration or winding-up of the Charterers or if an administrative or other receiver is be appointed (and not removed within 60 days)of the whole or any substantial part of the property, undertaking or assets of the Charterers or if an administrator of the Charterers is appointed or if anything analogous to any of the foregoing shall occur under the laws of the place of the Charterers' incorporation; or





- (g) If the Charterers commit any material breach of the Charter, not remedied (if capable of remedy) within 30 days after receiving written notice from the Owners.
- (h) Termination of the Charter shall be without prejudice to the Owners' other rights.
- (i) The Collateral Charterer's Default.

46.2 In the event of termination for Charterers' Default, or if the Owners otherwise terminate this Charter by reason of the Charterers' breach (regardless of the nature of such breach):

- (a) any payment of the Upfront Charter-Hire not having fallen due shall cease to be payable;
- (b) to the extent that the amount of such Upfront Charter-Hire exceeds the amount of such claims, the Owners shall refund the excess to the Charterers (without interest);
- (c) to the extent that the amount of such Upfront Charter-Hire is less than the amount of such claims, the Owners shall be entitled to claim the excess from the Charterers; and
- (d) the Charterers shall reimburse the Owners promptly, with interest at same rate as set out in Box 24, for any and all expenditures which the Owners may from time to time make, layout or expend in providing taxes, dues, assessments, governmental charges, fines and/or penalties lawfully imposed, repairs, attorneys fee and/or other matters as the Charterers are obligated herein to reimburse the Owners shall be as additional indebtedness due from the Charterers under this Charter, and shall be payable by the Charterers on demand. The Owners, though permitted so to do, shall be under no obligation to the Charterers to make any such expenditures

46.3 If the Owners exercise their right of termination, they shall notify the Charterers in writing or by telefax or e-mail confirmed in writing, and such termination or rescission shall be effective as of the date of receipt by the Charterers of the notice.

**47. Termination for Owners' default**

47.1 The Charterers shall (in addition to any other rights they may have in relation to the event in question) be entitled to terminate the Charter with immediate effect by written notice to the Owners if any of the following occur (which shall constitute a repudiatory breach of contract) (in each case "**Owners Default**"):

- (a) The Owners be adjudicated bankrupt or insolvent or a court order is made for the dissolution or winding-up of the Owners.
- (b) The Owners file a petition for adjudication of bankruptcy or winding-up.



- (c) A petition for adjudication of bankruptcy, dissolution or winding-up of the Owners are filed and the Owners fail to discharge such petition within thirty (30) days.
- (d) The Owners files voluntarily or involuntarily an application for a compulsory composition with creditors or to take advantage of any insolvency law or an answer admitting the material allegations of a petition filed against the Owners in any bankruptcy or insolvency proceedings.
- (e) Corporate action shall be taken by the Owners for the purpose of effecting any of the foregoing.
- (f) An encumbrancer takes possession of, or a receiver or trustee is appointed over, the whole or a material part of the assets of the Owners, or a distress or execution is levied on a material part of the property and assets of the Owners.
- (g) The Owners are dissolved, liquidated or cease to be registered as a [Singaporean] company.
- (h) If the Owners shall by any act or omission be in breach of their obligations under this Charter to the extent that the Charterers are deprived of the use of the Vessel and such breach continues for a period of thirty (30) running days after written notice thereof has been given by the Charterers to the Owners, the Charterers shall be entitled to terminate this Charter with immediate effect by written notice to the Owners.
- (i) The Collateral Owner's Default.
- (j) Termination of the Charter shall be without limitation to the Charterers' other rights. Without limitation to this, the Owners shall indemnify and hold harmless the Charterers in respect of all loss, damages, costs and expenses which the Charterers may suffer as a result of this Charter being terminated or the Vessel not being delivered into charter under this Charter, by reason of Owners' Default (or otherwise by reason of Owners' breach of this Charter).

47.2 If the Charterers exercise their right of termination, they shall notify the Owners in writing or by telefax or e-mail confirmed in writing, and such termination or rescission shall be effective as of the date of the Owner's receipt of such notice.

#### 48. Mortgages

48.1 The Owners may execute a mortgage or mortgages over the Vessel in favour of any reputable bank or financial institution, together with such collateral security, whether by way of assignments of the earnings and insurances of the Vessel and/or of the Owners' rights and benefits under this Charter or otherwise, as any such mortgagee may require.





48.2 The Charterers undertake that they will comply with all such instructions with regard to insurance, repair and customary maintenance of the Vessel and the payment of Hire and other moneys hereunder as any mortgagee or any assignee of the Owners' rights and benefits hereunder may give from time to time in accordance with and during the term of this Charter,

48.3 The Owners shall endeavour to obtain mortgagee(s)' Quiet Enjoyment Letter to the Charterers to ensure that as long as the Charterers duly pay Hire and fulfil other obligations under the Charter, their right to use the Vessel and the purchase of the Vessel from the Owners in accordance with Clause 43 shall not be interfered with.

49. **Assignment**

The Owners shall have right to assign the benefits of this Charter to the mortgagee(s) at anytime during the Charter Period. The Owners also shall have right to assign the incomes under this Charter to the mortgagee(s) and the Charterers shall acknowledge the notice of the assignment made by the Owners.

50. **Flag**

The Vessel shall have been registered by the Owners at their own account in Singapore and fly Singapore flag upon the date of delivery

51. **Indemnity**

51.1 Throughout the Charter Period with effect from the date of delivery of the Vessel, the Charterers shall pay to the Owners, and indemnify and keep the Owners indemnified against, all cost, charges, expenses, claims, proceedings (whether civil or criminal), liabilities, losses, penalties, fines, duties and fees (including, but not limited to, legal fees and expenses on a full indemnity basis) and taxes thereon of whatsoever nature and howsoever arising of, caused by the Vessel or the Charterers and suffered by the Owners, including (without prejudice to the foregoing) relating to or arising directly or indirectly in any manner or for any cause or reason whatsoever out of a claim by, or directive from, any governmental, judicial or regulatory authority, or any other person howsoever, alleging breach of, or non compliance with, any state, national, or international laws, agreements, regulations, conventions or rules pertaining to pollution, the protection of human health, or the environment, whether from the Vessel or some other vessel which has been in collision with the Vessel, or is involved in some other incident of navigation or operation where the Vessel or the Charterers or the managers of the Vessel are actually or allegedly liable (in whole or in part) or otherwise at fault, and which is made or asserted against the Owners, any mortgagee or mortgagees of the Vessel pursuant to Clause 48 above and/or the Vessel, or out of any actual or threatened environmental incident relating to the Vessel.

51.2 The indemnities contained in this Clause 51, and each other indemnity contained in this Charter, shall survive after any termination or expiry of this Charter and any



breach of, or repudiation or alleged repudiation by the Charterers or the Owners, of this Charter.

**52. Charterers' Supplied Items**

The Charterers shall deliver to the Owners at the Shipyard the items as specified in the Building Contract which the Charterers shall supply on its account by the time designated by the Owners.

**Assignment of the Building Contract**

**53. Owner's Assignment**

53.1 The Owners hereby assign and agree to assign all of the Assigned Rights to the Charterers.

53.2 All salaries and expenses of the supervisor, or any other employees employed by the Charterers for the purpose of Article IV (*Supervision and Inspection*) assigned under this Clause 53, shall be for the Charterer's account.

53.3 The Charterers undertake to duly and punctually perform all the obligations corresponding to the Assigned Rights in such way which shall not unreasonably delay the construction of the Vessel.

**54. Owner's Conditional Assignment**

(B) The Owners hereby assign and agree to assign all of the Conditional Assigned Rights to the Charterers, **PROVIDED ALWAYS** that the Charterers shall not exercise such Conditional Assigned Rights prior to 7 calendar days before the Final Delivery Date.

**55. Notice of Assignment**

The Owners hereby undertake that it will:

- (a) within 3 Banking Days upon execution of this Charter give notice hereof to the Builder in the form of Schedule II (*Form of Notice of Assignment*) hereto; and
- (b) within 15 Banking Days upon execution of this Charter and issuance of the Refund Guarantee, give notice hereof to the Refund Guarantor in the form of Schedule III hereto by letter.

**56. No Waive of Assigned Rights**

The Owners shall not, without the prior written consent of the Charterers, waive any Assigned Rights and/or the Conditional Assigned Rights of the Owners under the Building Contract.

**57. Indemnity under Assignment**





In the event that the Charterer exercises its right (such right being assigned to the Charterers under Clause 54) of cancellation, rejection and/or rescission of the Building Contract pursuant to any of the provision of the Building Contract specifically permitting the Owners in its capacity as the buyers to do so and such exercise of such right proves to be wrongful pursuant to an arbitration award obtained under Article XIII of the Building Contract, the Charterers shall pay such amount pursuant to the arbitration awards to the Builder and keep the Owners indemnified and harmless against any claims, penalties, damages, costs and orders under the arbitration awards.

In the event that the Builder fail to pay any amount awarded pursuant to an arbitration award obtained under Article XIII of the Building Contract, the Owners shall pay such amount pursuant to the arbitration awards to the Charterers and keep the Charterers indemnified and harmless against any claims, penalties, damages, costs and orders under the arbitration awards.

#### **GENERAL CLAUSES**

##### **58. Patents, Trademarks and Copyrights**

58.1 The machinery and equipment of the Vessel may bear the patent number, trademarks or trade names of the manufacturers. The Owners shall defend and save harmless the Charterers from patent liability or claims of patent infringement of any nature or kind, including costs and expenses for, or on account of any patented or patentable invention made or used in the performance of this Charter and also including cost and expense of litigation, if any.

58.2 Nothing contained herein shall be construed as transferring any patent or trademark rights or copyright in equipment covered by this Charter, and all such rights are hereby expressly reserved to the true and lawful owners thereof. Notwithstanding any provisions contained herein to the contrary, the Owners' obligation under this Clause should not be terminated by the passage of any specified period of time.

58.3 The Owners' indemnity hereunder does not extend to equipment or parts supplied by the Charterers to the Owners if any.

##### **59. Disputes and Arbitration**

###### **59.1 Applicable Law**

- (a) This Charter and any non-contractual obligations arising in connection with it shall be governed by and construed in accordance with English law.

###### **59.2 Arbitration**

- (a) Any dispute arising out of or in connection with this Charter shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause



- (i) The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.
  - (ii) The reference shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall appoint their arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint their own arbitrator within 14 calendar days of that notice and stating that it will appoint their arbitrator as sole arbitrator unless the other party appoints their own arbitrator and gives notice that it has done so within the 14 days specified. If the other party does not appoint their own arbitrator and give notice that it has done so within the 14 days specified, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint their arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.
  - (iii) Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.
  - (iv) In cases where neither the claim nor any counterclaim exceeds the sum of USD 50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.
  - (v) In cases where the claim or any counterclaim exceeds the sum agreed for the LMAA Small Claims Procedure and neither the claim nor any counterclaim exceeds the sum of US\$400,000.00 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Intermediate Claims Procedure current at the time when the arbitration proceeding are commenced.
  - (vi) Where the reference is to three arbitrators the procedure for making appointments shall be in accordance with the procedure for full arbitration stated above.
- 59.3 The Owners shall not, and waives any right to, detain or arrest the Vessel or anything belonging to her once delivered by reason of any dispute of whatsoever nature arising between the Owners and the Charterers.
60. **NOTICES**
- 60.1 Any and all notices and communications in connection with this Charter shall be





(a) addressed as follows:

To the Charterers:

To: GMI Resources (Singapore) Pte Limited  
72 Anson Road, Anson House #12-02,  
Singapore 079911  
Att: Matthew Rudge, Managing Director  
Telefax: +65 6511 1681  
No.:  
E-mail: [newbuildings@gmilimited.com](mailto:newbuildings@gmilimited.com)

To the Owners

To: Pisces Shipping Pte. Ltd  
80 Robinson Road, #02-00, Singapore 068898,  
Tele No.: +65 6557 0188.  
Att: Ms. Lui Hua  
Telefax: +65 6557 0188  
No.:  
E-mail: [liuhua@yzjship.com](mailto:liuhua@yzjship.com)

(b) in writing and in the English language;

(c) sent by email or telefax, or registered post or delivered by hand.

60.2 Notices shall be effective on actual receipt by either party by email or telefax or registered posted or through delivery by hand (which ever is earlier if the notice or communication is sent though more than one way).

60.3 All notices, correspondence and communications relating to this Charter and all documents supplied by or to the Owners in relation to this Charter shall be identified by being plainly marked:

Hull No. YZJ2013-1066" (before delivery) or the name of the Vessel (after delivery);

**61. Effective date of Contract**

This Charter shall become effective when it has been signed by both Parties.



62. **Entire Agreement**

- (a) This Charter constitutes the only and entire agreement between the Parties and supersedes and replaces any prior written or oral agreements, representations, statements or understandings between them relating to its subject matter.
- (b) Each party confirms that it has not entered into this Charter on the basis of any representation or statement which is not expressly incorporated into this Charter. Without limiting the generality of the foregoing, neither party shall have any remedy in respect of any untrue representation or statement made to him upon which he may have relied in entering into this Charter, and a party's only remedy (if any) is for breach of contract. However, nothing in this Charter or the Specifications purports to exclude liability for any fraudulent statement or act.
- (c) This Charter may not be released, discharged, supplemented, interpreted, amended, varied or modified in any manner except by an addendum in writing signed by a duly authorised representative of each of the Parties to this Charter.

63. **Confidentiality**

The terms of this Agreement and the substance of the negotiations in connection with it are confidential to the parties, who shall not disclose the same to any third party without the written consent of the other parties other than

- (a) to the parties respective auditors, insurers and lawyers on terms which preserve their confidentiality;
- (b) pursuant to an order of a court of competent jurisdiction or pursuant to any proper order or demand made by any competent authority or body where they are under a legal or regulatory obligation to make sure a disclosure;
- (c) so far as it is necessary to enforce any of the terms of the Agreement.

This Charter may be executed in any number of counterparts (but shall not be effective until each party has executed at least one counterpart) and exchanged via telefax or email. Each of the counterparts, when executed and delivered, shall be an original and which together shall have the same effect as if each party had executed and delivered the same documents. Thereafter the original hard copies of this Charter shall be executed and exchanged by courier, which shall constitute the same instrument as the document executed in counterparts. For avoidance of doubt, this Charter shall be deemed fully executed when executed in counterparts and exchanged via telefax or email, irrespective of whether or not original hard copies are subsequently executed and exchanged.



**SCHEDULE I**

**CONDITIONS PRECEDENT**

**Part I**

**1. Security Parties**

- (a) A copy of the constitutional documents of the Charterers, including Certificate of Incorporation, Business Registration Certificate and Memorandum and Articles of Association (or equivalent in its place of incorporation);
- (b) A copy of resolutions of the board of directors and resolutions of shareholders of the Charterers, approving the execution of this Charter and the Assignment of Insurance and authorizing a person or persons to execute the same under seal (where appropriate), and any other notices and documents required in connection therewith, and the specimen signature(s) of such person(s).

**Part II**

**1. Owner's Documents**

- (a) A copy of the constitutional documents of the Owners, including Certificate of Incorporation, Business Registration Certificate and Memorandum and Articles of Association (or equivalent in its place of incorporation);
- (b) A copy of resolutions of the board of directors and resolutions of shareholders of the Charterers, approving the execution of this Charter and authorizing a person or persons to execute the same under seal (where appropriate), and any other notices and documents required in connection therewith, and the specimen signature(s) of such person(s).

*(Handwritten initials "PT" and a signature)*



### Part III

#### 1. Documents

Duly executed originals of:

- (a) the Manager's Undertaking; and
- (b) the Assignment of Insurance

#### 2. Other documents and evidence

- (a) the Upfront Charter-hire and the Additional Upfront Charter-hire having been received by the Owner; and
- (b) any documents that the financing bank of the Owners may require.
- (c) that the Vessel is, or immediately following the Delivery Date will be, insured in accordance with the provisions of this Charter and that all requirements of clause 13 of Part II in respect of such insurances have been complied with;
- (d) that the Vessel is classified and maintained in the highest class (free of outstanding recommendations or conditions of class) with the Classification Society; and
- (c) Such evidence as the Owner may require of the Charterer's compliance with the ISM Code, the ISPS Code and MARPOL and all other international code, convention, regulation applicable to the Ship.






IN WITNESS whereof this Agreement has been duly executed the day and year first above written

  
For and on behalf of  
Date: PANAYIOTIS C. KONTOS  
DIRECTOR



  
For and on behalf of  
Date: